

Office of the City Auditor

City of San Diego

Fraud Hotline Update FY2011 Quarter 3 (January 2011 – March 2011)

Audit Committee, June 6, 2011



Hotline Activity

Fiscal Year 2011 Qtrs 1-3

Category: Fraud	Qtr 1 Jul- Sep	Qtr 2 Oct- Dec	Qtr 3 Jan- Mar	Sub- total	% of City- Related Total	City Auditor	Referred to Dept	Non-City
Accounting/Audit Irregularities	2	0	0	2	3.3%	2	0	0
Fraud	4	1	2	7	11.7%	4	1	2
Fraudulent Insurance Claims	1	0	0	1	1.7%	0	1	0
Theft of Goods/Services	2	2	1	5	8.3%	0	3	2
Theft of Time	2	0	1	3	5.0%	0	3	0
Waste and Abuse	0	2	4	6	10.0%	5	1	0
Subtotal Fraud	11	5	8	24	40.0%	11	9	4
Subtotal Non-Fraud	12	11	13	36	60.0%	5	21	10
Total Complaints FY11	23	16	21	60	100.0%	16	30	14

Hotline Activity

Fiscal Year 2011 Qtrs 1-3

Category: Non-Fraud	Qtr 1 Jul-Sep	Qtr 2 Oct-Dec	Qtr 3 Jan-Mar	Sub-total	% of City-Related Total	City Auditor	Referred to Dept	Non-City
Employee Relations	1	2	1	4	6.7%	0	3	1
Customer Relations	0	4	5	9	15.0%	1	5	3
Policy Issues	4	4	5	13	21.7%	4	7	2
Retaliation of Whistleblowers	3	0	0	3	5.0%	0	1	2
Safety Issues and Sanitation	1	0	2	3	5.0%	0	1	2
Substance Abuse	1	0	0	1	1.7%	0	1	0
Wage/Hour Issues	2	0	0	2	3.3%	0	2	0
Workplace Violence/Threats	0	1	0	1	1.7%	0	1	0
Subtotal Non-Fraud	12	11	13	36	60.0%	5	21	10
Subtotal Fraud	11	5	8	24	40.0%	11	9	4
Total Complaints FY11	23	16	21	60	100.0%	16	30	14

Source of Hotline Complaints

FY	Anonymous		Identified		Total
2009	69	49%	71	51%	140
2010	28	46%	33	54%	61
2011	28	47%	32	53%	60

Hotline Activity, January 2011 – March 2011 and Open Complaints from Previous Qtr

- As reported, 21 complaints were filed with the Hotline between January 2011 and March 2011.
- In addition, at the end of the previous quarter (12/31/2010), 11 complaints remained open and unresolved for a total of 32 complaints.
- The following table shows the status of these 32 complaints.

Hotline Activity, January 2011 – March 2011 and Open Complaints from Previous Qtr

Complaint Status	City Auditor	Referred to Dept	Sub-Total	Percent (City Operations Only)	Not Related to City Operations	Total
Complaints Unresolved 12/31/2010	7	4	11		0	11
Complaints Received in 3rd Qtr	7	9	16		5	21
Subtotal	14	13	27		5	32
Complaints Closed	-8	-12	-20		-5	-25
Substantiated/Corrective Action	1	4	5	25%	0	5
Unsubstantiated	7	8	15	75%	5	20
Complaints Unresolved 3/31/2011	6	1	7	NA	0	7

Hotline Activity, Cumulative FY 2011

FY 2011 Cumulative Statistics for Qtrs 1&2	City Auditor	Referred to Dept	Sub-Total	Percent (City Operations Only)	Not Related to City Operations	Total
Complaints Unresolved 7/1/2010	9	15	24	NA	0	24
Total Complaints Received FY 2011	15	31	46		14	60
Subtotal	24	46	70		14	84
Total Complaints Closed FY 2011	-17	-46	-63		-14	-77
Substantiated /Corrective Action	5	15	20	31.7%		
Unsubstantiated	12	31	43	68.3%		
Complaints Referred after preliminary Investigation	-1	1	0			0
Complaints Unresolved 3/31/2011	6	1	7		0	7

City Auditor Fraud Hotline

Public Report Issued

- The Office of the City Auditor conducted an investigation of Park and Recreation employees in response to a complaint made to the City's Fraud Hotline. The complaint alleged that an employee may have been responsible for missing funds from the recreation center at which the employee was assigned. The investigation determined that the allegations of missing funds, making false entries into financial records and concealing or destroying financial records were substantiated. The missing funds totaled \$100,998. This case was referred to the San Diego Police Department for investigation.
- The Hotline Report of this investigation, including management's response, can be found on our website at:

http://www.sandiego.gov/auditor/reports/fy11_pdf/hotline/holine_inv_misappropriation_of_funds.pdf

Conclusion

Fraud Hotline (866) 809-3500